



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Health Agency – Public Health	(2) MEETING DATE 7/7/2020	(3) CONTACT/PHONE Annette Martin, ASO II / (805) 781-1548	
(4) SUBJECT Hearing to consider an ordinance amending the County Fee Schedule to add new fees for COVID-19 Testing. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none">1. Adopt the proposed ordinance amending the County Fee Schedule; and2. If adopted, waive the reading of the ordinance; and3. Instruct the Clerk of the Board to: (a) publish the summary of the ordinance, previously prepared by the County Public Health Officer, in a newspaper of general circulation in the County within 15 days after adoption of the proposed ordinance by your Board; and (b) post a copy of the full text of the ordinance and the names of those supervisors voting for and against the ordinance on the County's website.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Hearing (Time Est. 30 min.) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input checked="" type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date <u>11/19/19 & 6/16/20</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) All Districts			



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Michael Hill, Health Agency Director
Penny Borenstein, M.D., Health Officer/Public Health Director

DATE: 7/7/2020

SUBJECT: Hearing to consider an ordinance amending the County Fee Schedule to add new fees for COVID-19 Testing. All Districts.

RECOMMENDATION

It is recommended that the Board:

1. Adopt the proposed ordinance amending the County Fee Schedule; and
2. If adopted, waive the reading of the ordinance; and
3. Instruct the Clerk of the Board to: (a) publish the summary of the ordinance, previously prepared by the County Public Health Officer, in a newspaper of general circulation in the County within 15 days after adoption of the proposed ordinance by your Board; and (b) post a copy of the full text of the ordinance and the names of those supervisors voting for and against the ordinance on the County's website.

DISCUSSION

The intent of the ordinance amendment is to add new fees for COVID-19 testing. The addition of these fees will allow the County of San Luis Obispo's Public Health Laboratory (SLO PHL) to move to a fee-for-service charge for COVID-19 testing rather than no-charge testing in order to offset the costs for reagents, test kits, and staff time.

At the onset of cases of the COVID-19 pandemic in the United States, laboratory testing was limited to hospitalized patients with certain symptoms, persons who had travelled from areas of widespread disease transmission or persons with close contact to a confirmed case. As laboratory materials became more prevalent, the SLO PHL initiated testing under the same limited parameters on March 6, 2020. The reagents for performing molecular testing are provided by the Centers for Disease Control and Prevention (CDC) International Resource Reagent Repository (IRR). In consideration of the free testing materials, and due to the need to amplify the amount of testing for purposes of disease surveillance and to eliminate barriers to testing, the SLO PHL has continued testing with no charge.

In addition to the accession of the IRR testing reagents, there are additional test kit components that the SLO PHL purchases in order to complete testing. Staff time is also provided by County microbiologists and has pivoted away from other test submissions that have become lower in demand during the Shelter-at-Home period (e.g., sexually

transmitted disease and gastrointestinal illness). Thus, as the response has moved into a more predictable stage, it is now appropriate to move to fee-for-service testing and capture medical insurance for the majority of test orders. No charge testing will continue for public health investigations in high-risk congregate settings or for disease clusters. In addition, per Departmental Policy "Fee Assistance for Clinical Services", individual fees may be reduced or waived based on ability to pay.

Three COVID-19 test related fees are recommended for approval:

Test #	Name	Fee Amount	Description
Test #6850	Coronavirus SARS-CoV2 RT_PCR.	\$138 (CDC test)	This is the mainstream test used since the beginning of the pandemic response. Test costs are concordant with other reference level polymerase chain reaction tests. Testing is performed using a thermocycler.
Test #682	Coronavirus SARS-CoV2 Xpert RT_PCR.	\$94	This test was introduced May 8, 2020 and is run on the existing platform called the GeneXpert. The test can be performed in an hour and is reserved for urgent or "Stat" test orders as needed by the County Health Officer and her designees. Fee is concordant with <i>M. tuberculosis</i> PCR that is performed on the GeneXpert platform.
Test #6860	Coronavirus SARS-CoV2 AMPLIFICATION.	\$63	This test will be introduced on or about June 24 and will replace the bulk of testing now performed with the CDC assay by using the automated instrument called the Panther. Fee is concordant with many other tests performed on the Panther.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel reviewed and approved the ordinance as to form and legal effect.

FINANCIAL CONSIDERATIONS

Fees help offset the cost of providing non-tax supported County services to those who benefit from them. As show in the chart below, fee approval will result in estimated revenues of \$378,000 and labor-saving cost avoidance of \$12,600.

Testing Performed to Date:

Number of Tests	Cost of Test	Total Expenditure
3,300	\$138	(\$455,400)

Estimated Revenues upon approval of Fees:

Number of Tests for a 12-week period	Cost of Test	Total Revenue
6,000	\$63	\$378,000

Labor Cost Savings:

Number of Staff hours for a 12-week period	Cost per Hour	Total Labor Cost Avoidance
300	\$42	\$12,600

If addition of these fees is not approved, it is anticipated that the amount of General Fund support required to fund ongoing COVID testing at this capacity will continue to impact the department as a result of fee revenue not keeping up with the actual costs to provide services and thus not even partially recovering the cost of providing the service. CARES Act funds are anticipated to offset a portion of the \$455,400 expenses to date for the COVID-19 tests completed.

RESULTS

Implementation of the new fees will continue the Board of Supervisors' past practice of recovering costs from those who benefit from certain services the County provides beyond the basic tax-supported services, while assisting the County in achieving County-wide goals of a healthy and prosperous community.

ATTACHMENTS

- 1 Exhibit "A" to Schedule B
- 2 FY 2020-21 Fee Ordinance Amendment